



2026 Annual Review of Asset Management Planning Progress

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Executive Summary

The City continues to advance its asset management program through improved data, lifecycle planning, and integration with financial processes.

Key Messages

- **Most assets remain in acceptable condition today**, with 83% in fair or better condition; however, a growing portion of the asset base is approaching the end of its service life.
- **Infrastructure needs are projected to increase over time**, driven by asset aging, growth, and evolving service expectations.
- **Long term needs exceed capital funding capacity over the next 10 years**, requiring the City to focus on managing risks and prioritizing investment where it will have the most impact.
- **Decisions made today will influence future service levels**, including the extent to which the City maintains, improves, or allows gradual changes in levels of service over time.

The City's infrastructure needs are expected to continue growing over time, requiring ongoing prioritization and alignment between investment and available funding. Maintaining current service levels over time will require deliberate and informed decisions regarding infrastructure investment and prioritization.

This report presents the City's Annual Review of its Asset Management Plan in accordance with Section 9 of Ontario Regulation 588/17. This report provides an update on progress, identifies factors influencing implementation, and outlines strategies to support sustainable service delivery.

Introduction

This report is intended to provide Council and senior leadership with a clear, data-informed overview of:

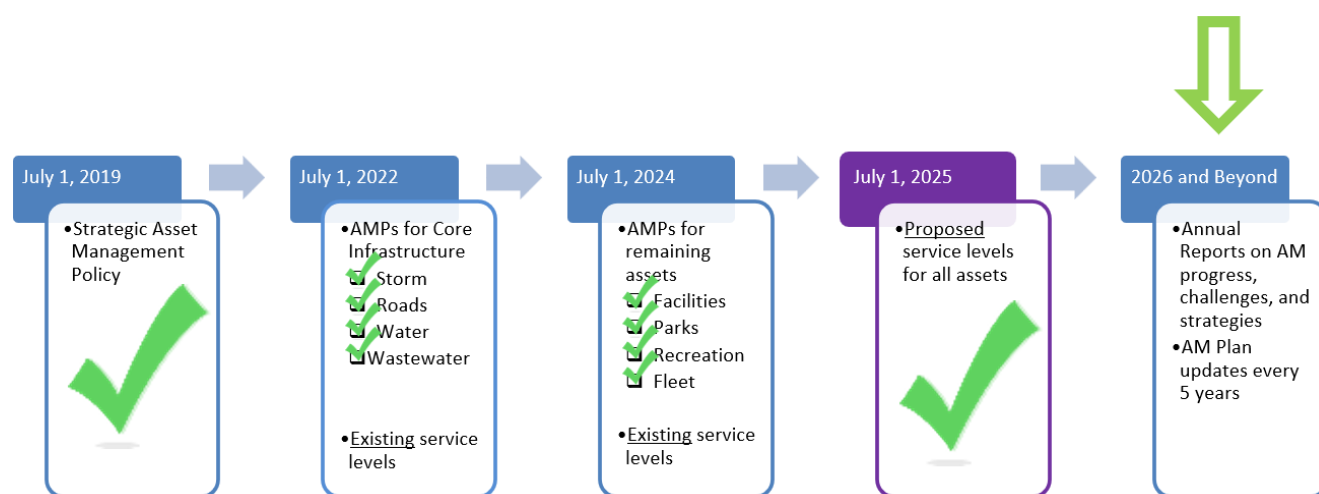
- Progress in advancing the City's asset management program and applying the Asset Management Plan
- Key factors influencing the City's ability to achieve desired levels of service over time
- Planned approaches to address these factors through prioritization, lifecycle planning, and financial alignment

Where the Asset Management Plan provides a long-term strategic view, this annual review focuses on performance and change over time.

This document is not intended to restate the Asset Management Plan; rather, it is designed to support understanding of how the City's infrastructure position is evolving and where continued focus will support long-term service sustainability.

Regulatory Context

The City has met the key requirements of Ontario Regulation 588/17, including the completion of a comprehensive Asset Management Plan in 2025 that established proposed levels of service for all assets. The City is now in the ongoing implementation, monitoring, and continuous improvement phase of the regulation, which includes annual reporting on progress, challenges, and strategies, as well as periodic updates to the Asset Management Plan.



This report fulfills the requirements of Section 9 of Ontario Regulation 588/17, which requires municipalities to conduct an annual review of their Asset Management Plan (AM Plan).

The City completed a comprehensive update to its Asset Management Plan in 2025 in accordance with Section 6 of the Regulation. The Plan established a long-term framework for managing municipal infrastructure, including levels of service and performance metrics, lifecycle strategies, and financial forecasts intended to support sustainable service delivery.

This review builds upon the 2025 Asset Management Plan and will provide recommendations for the continuous improvement of the City's asset management program.

This report is primarily based on the City's 2025 Asset Management Plan, with targeted updates incorporated where data was available for the current reporting cycle.

To support consistency and data quality, future annual reviews will be prepared using a standardized approach with an approximate one-year lag. This ensures that reporting is based on complete and validated information and provides a reliable basis for assessing long-term trends in asset condition, risk, and service delivery.

State of City Assets

This section describes the City's asset inventory based on the 2025 AM Plan, with updates to the end of 2025 where data is available. The tables and figures below provide overview of the valuation and condition of the City's assets across nine asset categories. Overall, the City owns approximately \$11.8 Billion worth of assets.

Asset Valuation

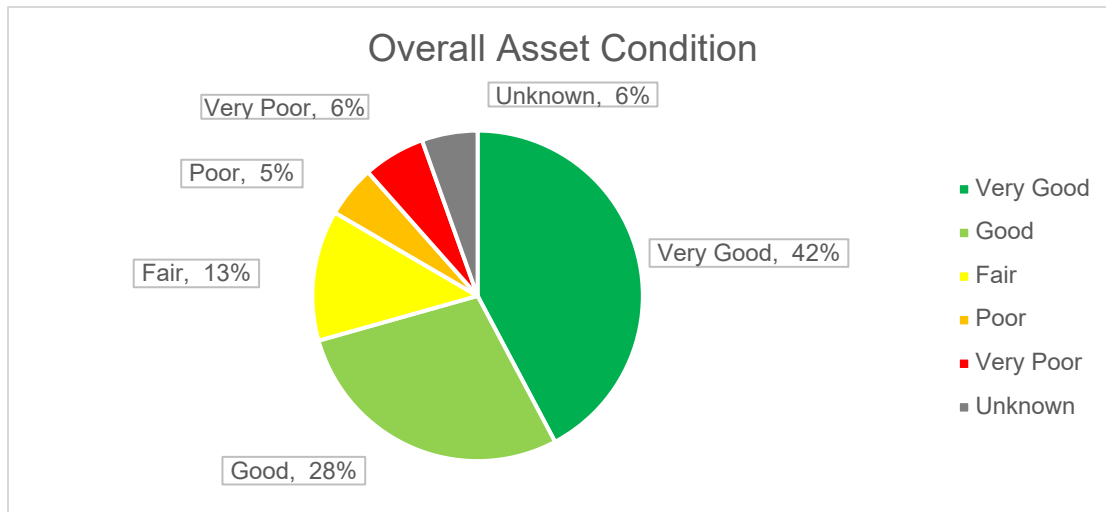
The replacement value of an asset represents the expected cost to replace an asset to the same functional standard with a 'like for like' new version based on current market conditions and construction standards.

Asset Category	Asset Categories	Replacement Value (\$2026, millions)
Transportation	Roads, Bridges, Traffic Control, Streetlighting, Sidewalks, Paid Public Parking	\$2,887
Transit	Conventional Buses, TOD Buses, Specialized Buses, Electric Buses, Bus Shelters, Bus Stops	\$66
Parks, Outdoor Recreation & Natural Areas	Active Recreation, Park Vehicular and Pedestrian Network, Other Parks and Recreation Assets, Maintained Parkland, Natural Areas	\$324
Stormwater	Sewers, Culverts, Catch Basins, Maintenance Holes, Ditches, Stormwater Management Facilities, Low Impact Development, Natural Features	\$1,622
Water	Mains, Hydrants, Valves, Other Appurtenances, Surface Water Treatment Plant, Low Lift Pumping Station, Wells, Well Pumping Stations, Reservoirs, Water Towers, Booster Pumping Stations	\$2,259
Wastewater	Mains, Laterals, Maintenance Holes, Pumping Stations, Wastewater Treatment Facility, Biosolids Storage Facility	\$2,897
Facilities	Recreation and Culture, Corporate, Emergency, Environmental, Library, Transit, Park Buildings, Marina	\$1,525
Fleet	Vehicles, Equipment, Trailers, Firefighting Apparatus	\$104
Barrie-Collingwood Railway (BCRY)	Tracks, Turnouts, Grade Crossings, Bridges, Culverts, Railway Yard and Maintenance Facility	\$89
TOTAL		\$11,773

Age and Condition

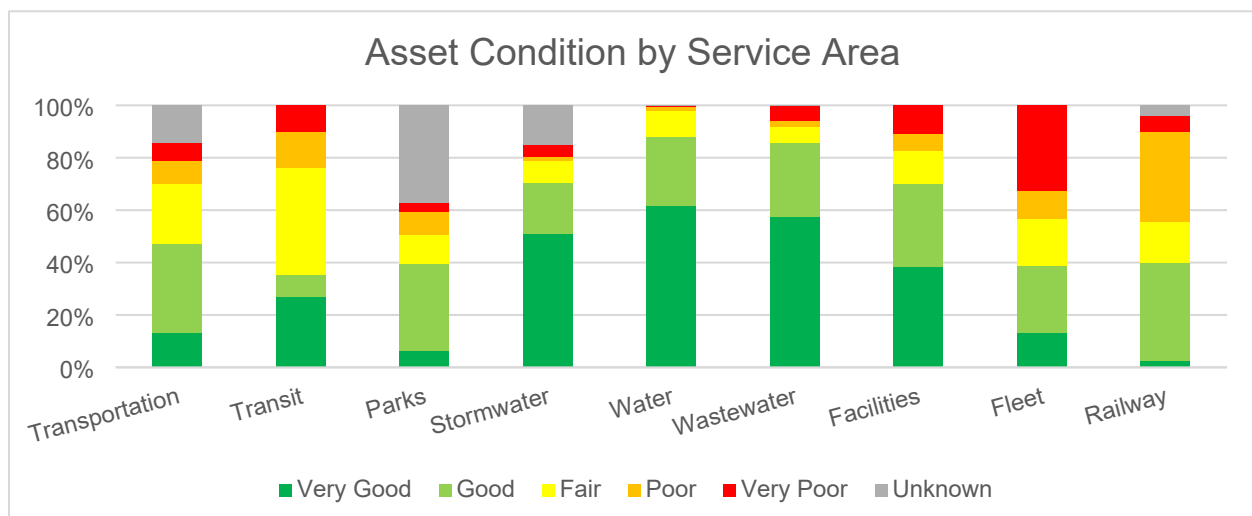
Condition ratings are based on inspections or technical assessments, where available. For assets without a recent inspection, condition is estimated using age and theoretical service life.

Overall, 83% of the City's assets are in fair-or-better condition. While overall condition remains strong, a growing portion of the asset base is approaching the end of its expected service life.



Assets in poor or very poor condition are at or approaching the end of their useful service lives. Approximately 11%, or \$1.3 billion, of City assets fall into this category. Not all assets in poor or very poor condition require immediate replacement; however, they present a higher risk of failure and increased maintenance requirements. Continued prioritization of these assets will be important to manage risk, maintain service reliability, and avoid more costly reactive repairs. As these assets continue to age, maintaining current service levels will increasingly depend on the timing and effectiveness of renewal investments.

Condition varies across service areas, reflecting differences in asset age, lifecycle characteristics, and historical investment patterns.



Condition is currently unknown for approximately 6% of assets. Improving condition data coverage remains a priority and will be advanced as opportunities arise, based on cost-benefit considerations.

Levels of Service & Performance

The table below provides a summary of selected condition-based performance indicators. These measures illustrate trends in asset condition. Year-over-year changes in performance are influenced by a combination of factors including condition improvements achieved through capital and operating programs, condition changes from assets aging, and new or updated information from condition assessments.

Asset Category	Technical LOS	Performance		Direction of Change
		2024	2025	
Community Level of Service: Assets are maintained in a state of good repair				
Transportation - Roads	Pavement Condition Index	71	69	↓
Transportation - Bridges	Bridge Condition Index	80	82	↑
Transportation - Roadside, Parking, Traffic Control, Lighting, Active Transportation	% fair or better condition	55%	55%	→
Transit	% fair or better condition	74%	76%	↑
Parks & Outdoor Recreation	% fair or better condition	77%	74%	↓
Stormwater	% fair or better condition	94%	93%	↓
Water	% fair or better condition	97%	98%	↑
Wastewater	% fair or better condition	90%	92%	↑
Facilities	Facility Condition Index*	11%	12%	↓
Fleet	% fair or better condition	53%	57%	↑
BCRY	% fair or better condition	56%	58%	↑

* Lower facility condition index values represent better condition

Overall, performance remains relatively stable across most asset categories. Variation between service areas reflects differences in asset age, lifecycle characteristics, and historical investment levels, resulting in differing levels of renewal pressure and risk. As assets continue to age, maintaining current performance levels will require sustained investment and continued prioritization across competing infrastructure needs.

Overall, trends observed across service areas are consistent with the broader findings of the 2025 Asset Management Plan, including aging infrastructure, increasing lifecycle demands, and the need for continued prioritization within available funding levels.

Asset Management at the City

The City maintains an asset management program that supports informed infrastructure investment decisions and responsible stewardship of public assets.

As with most Ontario municipalities, long-term infrastructure requirements are growing faster than available funding. This dynamic does not represent a short-term pressure, but rather an ongoing strategic consideration requiring careful prioritization and financial alignment over time.

Asset management provides the decision framework necessary to balance service expectations, infrastructure risk, and financial capacity. Continued progress in financial planning and capital prioritization will support staff, leadership, and Council in making informed choices about sustainable service delivery.

Effective asset management does not eliminate difficult infrastructure decisions; it ensures they are made deliberately, transparently, and with a clear understanding of long-term impacts.

Annual Review of Asset Management Planning Process

This section provides a structured response to the requirements of Section 9 of Ontario Regulation 588/17, including a summary of progress in implementing the Asset Management Plan, factors impeding implementation, and strategies to address those factors.

Progress Implementing the Asset Management Plan

The City continues to advance a structured and data-driven asset management program to support sustainable service delivery. Since the completion of the Asset Management Plan in 2025, progress has been made in strengthening asset data, refining lifecycle strategies, enhancing risk-based decision making, and further integrating asset management principles into capital and financial planning processes.

The City has continued to pursue external funding opportunities and improve cross-department coordination, positioning the organization to respond more effectively to evolving infrastructure needs.

Lifecycle strategies identified in the 2025 Asset Management Plan continue to be advanced through capital and operating programs, within available funding levels. However, the City's available funding is limited for both capital and operating programs, and the City must continue to refine and prioritize implementation to maximize value from available resources.

Factors Impeding Implementation of the Asset Management Plan

While meaningful progress has been achieved, several factors continue to influence the pace at which the Asset Management Plan can be fully implemented.

Investment requirements continue to outpace available funding capacity, requiring ongoing prioritization of investments across renewal, growth, and service level objectives.

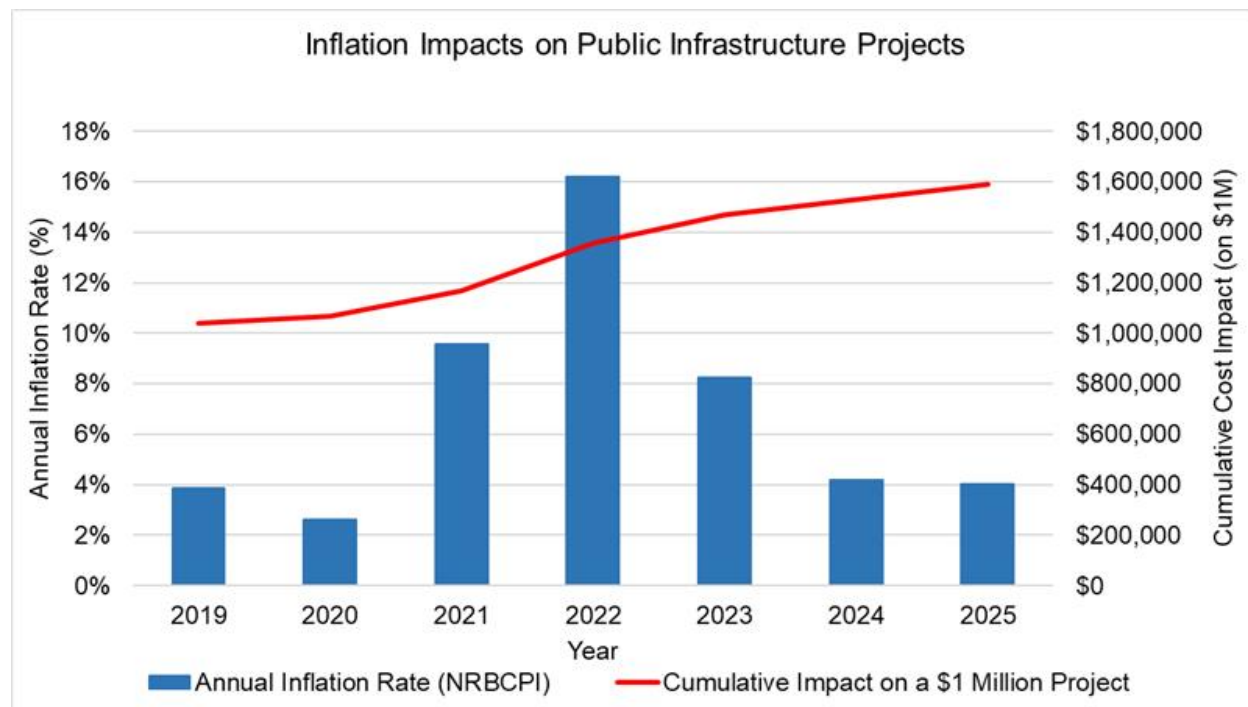
Additional pressures include:

- Rising construction costs
- Continued asset growth
- Evolving data that is improving visibility into long-term needs

These factors reinforce the importance of disciplined long-term planning.

Rising Construction Costs

Inflation continues to have an outsized impact on public construction projects. What the City could do with \$1 dollar just a few years ago would cost over \$1.50 today.



Asset Growth

A growing city means an expanding asset base, including new and upgraded infrastructure as well as the vehicles, equipment, and resources required to operate and maintain it. The City continues to build new infrastructure to support development, as well as assuming new infrastructure from development. In recent years the City has approved an average of 3-4 km of new roads per year along with associated water, wastewater, and stormwater infrastructure.

While growth is not an impediment to effective asset management, it does increase pressure on available resources and must be managed proactively to maintain service levels over time. This new infrastructure generally has long service lives and does not require renewal investment in the short to medium term; however it does introduce immediate operating and maintenance requirements and contributes to long-term lifecycle obligations.

In addition to ongoing growth-related investments, the City has recently acquired new assets through boundary expansion. The long-term lifecycle and funding requirements for these assets are still being assessed and will be incorporated into future planning.

Lifecycle Needs and Investment Pressures

The 2025 Asset Management Plan identified long-term average annual investment needs of approximately \$308 million to support renewal, growth, and service level improvements, including:

- \$111.8 million to renew and replace aging City assets
- \$146.7 million in projects to support growth
- \$49.8 million in upgrades to existing assets to enhance functionality or meet current standards

Affordable and sustainable capital planning targets are approximately \$200 million annually, resulting in a difference of approximately \$108 million per year between identified needs and planned investment levels.

This difference does not represent an immediate shortfall but rather reflects a long-term funding pressure that will require continued prioritization, financial planning, and strategic decision-making over time.

Given that growth-related investments are partially supported through reserves and development-related funding, available funding should continue to prioritize the maintenance of existing assets and services, while strategically advancing growth and service improvements where they can be delivered most effectively.

Strategies to Improve Implementation

The City is responding through a combination of operational discipline and strategic financial planning, including:

1. Optimizing Capital Decision Making

Advancing risk-based prioritization and financially efficient lifecycle strategies to maximize the value of available funding.

2. Strengthening Financial Alignment

Planned updates to long-range financial plans, including the Water and Wastewater Financial Plan, will support continued alignment between infrastructure requirements and funding strategies. The City will continue to evaluate the strategic use of debt and reserves within its broader financial framework.

Continued alignment between asset management planning and long-range financial planning will remain a key focus.

3. Leveraging External Funding

The City remains proactive in pursuing grant opportunities to supplement municipal funding sources.

4. Advancing Capital Planning Practices

Work is underway to further improve capital planning processes through the development of consolidated State-of-Good-Repair programs that are explicitly linked to Levels of Service outcomes and long-term affordability.

5. Continuous Improvement

The City remains committed to continuous improvement in asset management practices to support informed decision-making and sustainable municipal services.

Across the organization, teams are advancing condition assessment programs, refining preventative maintenance practices, enhancing capital planning processes, improving data management approaches, and developing analysis and reporting tools. As these efforts progress, they are providing better visibility into asset condition and lifecycle needs, supporting more informed, risk-based decision-making.

Highlights of Key Issues

Transportation

Pavement management remains a key challenge, with the pavement condition index projected to decline over time at current investment levels. The City has been gradually increasing investment in pavement management and will continue to monitor pavement condition and refine road renewal budgets to maximize the life of the City's roads at the lowest overall life-cycle cost.

Additional pressures include retaining walls at risk of failure and guiderail deficiencies. A capital program has been established to address retaining wall and guiderail condition and compliance with design standards; however, implementation will continue to be influenced by available funding.

Transit

Transit services must adapt to continued growth, particularly in newly developed areas that are not yet fully serviced. Over time, there is expected to be increasing demand to transition from on-demand services to fixed-route services.

Parks

Parkland and recreational assets are experiencing increasing pressure due to growth, evolving community expectations, and limited opportunities for land acquisition in established areas. Demand for more diverse, inclusive, and year-round amenities continues to increase, while existing parkland supply is below target levels and constrained by development and policy factors.

At the same time, many park assets are approaching or exceeding their expected service life, resulting in increased maintenance requirements, higher lifecycle costs, and potential service disruptions. These pressures are further influenced by financial constraints, the need to improve accessibility and equity of access, and the integration of climate resilience into asset planning and design.

The development of a Parks Strategic Plan (targeted for 2027) will provide a framework to align service levels, prioritize investments, improve coordination across service areas, and strengthen the integration of asset management practices, data, and performance measurement to support long-term sustainability of park services.

Stormwater

Stormwater infrastructure is subject to increasing renewal pressures, particularly for aging culverts. Without proactive intervention, deterioration can lead to service disruptions and reactive repairs.

Proactive repairs of storm sewers and culverts are currently completed using operating budgets. A dedicated program may be considered to support more effective asset management and reduce reliance on reactive maintenance.

Water

Continued condition assessments of vertical infrastructure are improving the City's understanding of renewal needs over the short and long term. Targeted investments are being advanced to address identified needs, including backup power and security enhancements identified as priorities in the AM Plan. Water meter replacements are also underway through a phased program with full replacement anticipated by 2030.

Ongoing preventative maintenance and renewal programs support reliable service delivery, reduce the risk of unplanned failures, and extend asset life, while providing information to inform future capital planning and investment decisions.

Wastewater

Condition assessments of wastewater facilities have expanded in recent years, improving the City's understanding of lifecycle needs and identifying a growing backlog of renewal work. These targeted condition assessments, along with risk-based prioritization, have guided key renewal initiatives, including upgrades to treatment and pumping infrastructure.

Managing inflow and infiltration to the sewer system continues to be a priority to preserve capacity at the Wastewater Treatment Facility. Preventative maintenance programs are being used to extend asset life, reduce infiltration and inflow, and support reliable system performance.

An update to the Water and Wastewater Financial Plan will provide improved alignment between lifecycle needs and long-term funding strategies.

Facilities

Ongoing renewal of existing facilities remains a priority. Deferred renewal work and operating cost pressures are impacting the ability to undertake proactive maintenance, contributing to increased reactive repairs. New Facility Condition Assessments commencing in 2026 will provide improved understanding of lifecycle requirements and support more targeted investment.

Fleet

The condition of the City's fleet has improved in recent years through increased focus on the replacement program. However, a portion of the fleet remains beyond its optimal service life, creating ongoing pressure on reliability and operating costs.

A new fleet policy has been developed to support more efficient utilization of fleet assets.

Barrie-Collingwood Railway (BCRY)

Planning is underway for the renewal of critical assets including the Lockhart Rd. rail bridge. A

mainline condition assessment is being completed in 2026 and will provide improved understanding of lifecycle and renewal requirements for the mainline track.

Conclusion

The City continues to advance its asset management program and strengthen the practices required to support sustainable service delivery. While most assets remain in acceptable condition, long-term infrastructure needs will require continued prioritization, financial alignment, and disciplined capital planning.

Over time, different approaches to infrastructure investment will result in different outcomes. These may include maintaining current service levels through increased investment, prioritizing core assets while deferring lower-priority work, or allowing gradual changes in levels of service where investment does not keep pace with asset needs.

This annual review fulfills the City's requirements under Section 9 of Ontario Regulation 588/17 and supports informed decision-making by providing a consistent view of asset condition, risks, and long-term investment pressures. As the City continues to refine its asset management practices, this reporting will remain an important tool to guide sustainable service delivery and long-term financial planning.